

Joseph M. Alioto (No. 42680)  
Theresa D. Moore (No. 99978)  
Joseph M. Alioto, Jr. (No. 215544)  
Thomas P. Pier (No. 235740)  
ALIOTO LAW FIRM  
555 California Street, 31<sup>st</sup> Floor  
San Francisco, CA 94104  
Telephone: (415) 434-8900  
Facsimile: (415) 434-9200  
E-mail: [esexton@aliotolaw.com](mailto:esexton@aliotolaw.com)

Daniel R. Shulman (MN No. 100651)  
GRAY, PLANT, MOOTY, MOOTY & BENNETT  
500 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402  
Telephone: (612) 632-3000  
Facsimile: (612) 632-4335  
E-mail: [daniel.shulman@gpmlaw.com](mailto:daniel.shulman@gpmlaw.com)

James M. Dombroski (No. 56898)  
LAW OFFICES OF JAMES M. DOMBROSKI  
P.O. Box 751027  
Petaluma, CA 94975-1027  
Telephone: (707) 762-7807  
Facsimile: (707) 769-0419  
E-mail: [jdomski@aol.com](mailto:jdomski@aol.com)

*Attorneys for Plaintiffs*

**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

ROSEMARY D'AUGUSTA *et al.*

Plaintiffs,

v.

NORTHWEST AIRLINES CORPORATION  
and DELTA AIR LINES INC.,

Defendants.

CASE No. CV 08-3007 VRW

**NOTICE OF MOTION AND  
MOTION TO SET HEARING DATE  
TO ESTABLISH BRIEFING  
SCHEDULE AND HEARING DATE  
FOR PLAINTIFFS' MOTION FOR  
PRELIMINARY INJUNCTION**

Date: To Be Determined  
Time: To Be Determined  
Judge: Hon. Vaughn R. Walker  
Courtroom 6

1  
2 **TO: THIS HONORABLE COURT AND DEFENDANTS ABOVE NAMED:**

3  
4 **NOTICE OF MOTION**

5 PLEASE TAKE NOTICE that plaintiffs, by and through their undersigned attorneys,  
6 will move the above Court for an order to set a hearing date to establish a briefing schedule  
7 and hearing date for plaintiffs' motion for preliminary injunction at the above date and time  
8 set by the Court, in Courtroom 6, 17<sup>th</sup> Floor, U.S. Courthouse, 450 Golden Gate Avenue, San  
9 Francisco, California, 94102.  
10

11  
12 **MOTION TO SET A HEARING DATE TO ESTABLISH**  
13 **A BRIEFING SCHEDULE AND HEARING DATE FOR PLAINTIFFS' MOTION**  
14 **FOR PRELIMINARY INJUNCTION.**

15 Plaintiffs by and through their undersigned attorney, hereby apply to this Honorable  
16 Court for an order setting a hearing date for the purpose of establishing a briefing schedule  
17 and hearing date for plaintiffs' motion for preliminary injunction.

18 The grounds for this motion are that defendants are moving rapidly to complete their  
19 proposed merger within the next six months. A delay in the hearing of plaintiffs' motion for  
20 a preliminary injunction will allow defendants to begin the integration of their two  
21 companies and cause irreparable harm to plaintiffs.  
22

23 This motion is based upon all of the files and proceedings herein and the  
24 accompanying Declaration of Thomas Paul Pier submitted herewith and the exhibits thereto.  
25 A memorandum in support of plaintiffs' motion is submitted herewith.  
26  
27  
28

1 Dated: July 14, 2008  
2  
3  
4

5 ALIOTO LAW FIRM  
6 GRAY PLANT MOOTY MOOTY & BENNETT, P.A.

7 By: 

8 Thomas Paul Pier  
9 ALIOTO LAW FIRM  
10 555 California Street, 31<sup>st</sup> Floor  
11 San Francisco, CA 94104  
12 Telephone: (415) 434-8900  
13 Facsimile: (415) 434-9200  
14 E-mail: [esexton@aliotolaw.com](mailto:esexton@aliotolaw.com)  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Joseph M. Alioto (No. 42680)  
Theresa D. Moore (No. 99978)  
Joseph M. Alioto, Jr. (No. 215544)  
Thomas P. Pier (No. 235740)  
ALIOTO LAW FIRM  
555 California Street, 31<sup>st</sup> Floor  
San Francisco, CA 94104  
Telephone: (415) 434-8900  
Facsimile: (415) 434-9200  
E-mail: [esexton@aliotolaw.com](mailto:esexton@aliotolaw.com)

Daniel R. Shulman (MN No. 100651)  
GRAY, PLANT, MOOTY, MOOTY & BENNETT  
500 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402  
Telephone: (612) 632-3000  
Facsimile: (612) 632-4335  
E-mail: [daniel.shulman@gpmlaw.com](mailto:daniel.shulman@gpmlaw.com)

James M. Dombroski (No. 56898)  
LAW OFFICES OF JAMES M. DOMBROSKI  
P.O. Box 751027  
Petaluma, CA 94975-1027  
Telephone: (707) 762-7807  
Facsimile: (707) 769-0419  
E-mail: [jdomski@aol.com](mailto:jdomski@aol.com)

*Attorneys for Plaintiffs*

**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

ROSEMARY D'AUGUSTA *et al.*

Plaintiffs,

v.

NORTHWEST AIRLINES CORPORATION  
and DELTA AIR LINES INC.,

Defendants.

No. CV 08-3007 VRW

**MEMORANDUM IN SUPPORT OF  
PLAINTIFFS' MOTION TO SET  
HEARING DATE TO ESTABLISH  
BRIEFING SCHEDULE AND  
HEARING DATE FOR PLAINTIFFS'  
MOTION FOR PRELIMINARY  
INJUNCTION**

Date: To Be Determined  
Time: To Be Determined  
Judge: Hon. Vaughn R. Walker  
Courtroom 6

**INTRODUCTION**

On April 14, 2008, Delta Air Lines, Inc. ("Delta") and Northwest Airlines Corporation ("Northwest") announced their intention to merge into a single airline by the end of 2008. On June 13, 2008 plaintiffs, individual purchasers of airline tickets, filed this action against defendants Delta and Northwest, seeking preliminary and permanent injunctive relief for violation of the Clayton Antitrust Act. On June 25<sup>th</sup>, this matter was reassigned to the Honorable Vaughn R. Walker for all further proceedings.

On July 2, 2008, the Court issued a Clerk's Notice setting an initial Case Management Conference for October 2, 2008.

Plaintiffs move this Court to set an hearing date as soon as is convenient to the Court for the purpose of setting a briefing schedule and hearing date for plaintiffs' motion for preliminary injunction.

**FACTUAL BACKGROUND**

On April 14, 2008, when defendants announced their plan to combine, they indicated that they intended to complete their merger by December 2008- a mere six months from now. (Declaration of Thomas Paul Pier ("Pier Dec."), Para 2.)

On June 20, 2008 Delta announced that about 300 people from both Delta and Northwest had been organized into 25 "integration teams" to help plan the implementation of the proposed merger. (Pier Dec., Para 3.)

Defendants have agreed that Delta will make decisions about issues such as job loss and the closure of call centers. (Pier Dec., Para 4.)

1 On June 24, 2008, Delta and Northwest pilot negotiators announced that they had  
2 reached a tentative agreement with Delta management on a joint contract to cover both pilot  
3 groups that will help the airlines integrate faster and more smoothly. (Pier Dec., Para 5.) On  
4 June 26, 2008, Delta and Northwest pilots announced that they have agreed to submit to  
5 binding arbitration to help them craft an integrated seniority list if the two sides cannot reach  
6 a deal on their own within a certain timeframe. (Pier Dec., Para 6.)

7  
8 Northwest CEO Doug Steenland will be paid \$18.3 million to relinquish his position  
9 if the deal goes through. (Pier Dec., Para 7.)

10 There is widespread speculation in the airline industry, on Wall Street, and in  
11 Washington, D.C. that the Department of Justice' Antitrust Division will sign-off on the deal  
12 by the end of the year. (Pier Dec., Para 8.) Delta and Northwest have also indicated that  
13 they want a decision from the DOJ prior to next year's change in administrations. (Pier Dec.,  
14 Para 9.)

15  
16 On May 7, 2008, the Chairman of the United States Senate's Commerce Committee's  
17 aviation panel, John Rockefeller (D- West Virginia) stated that he would not oppose the  
18 merger. Rockefeller's support- or his non-opposition- as chairman of the Commerce  
19 Committee's aviation panel sends an important signal to other lawmakers. (Pier Dec., Para  
20 10.)

21  
22 Defendants have already begun to cut flights, increase fees, and increase fares. Delta  
23 has announced that it will reduce domestic flying capacity 11-12% by the year's end, and  
24 Northwest has announced that it will cut its capacity by the fourth quarter by 9.5%. (Pier  
25 Dec., Paras. 11, 12.) Delta has recently initiated various fees, including charging up to \$50  
26 for people who seek to redeem frequent flier miles, various fuel "surcharges" (including, for  
27 example a \$110 fuel charge for Los Angeles to Honolulu flights), a \$100 fee for children  
28

1 flying alone, as well as others. Northwest has also recently implemented various fees and  
2 charges. In early July 2008, the major airlines, including Delta and Northwest, raised fares  
3 for the 21<sup>st</sup> time this year when they uniformly imposed a round-trip \$20 fuel surcharge.  
4 (Pier Dec., Para 13.)

### 5 6 7 ARGUMENT

8 Plaintiffs seek preliminary and permanent injunctive relief under Section 7 of the  
9 Clayton Antitrust Act. The standards for issuance of a preliminary injunction require the  
10 moving party to satisfy one of two tests:

11 We identif[y] two sets of criteria for preliminary injunctive relief. Under the  
12 "traditional" criteria, a court may grant a preliminary injunction if a plaintiff shows  
13 (1) a strong likelihood of success on the merits, (2) *the possibility of irreparable*  
14 *injury to plaintiff* if preliminary relief is not granted, (3) a balance of hardships  
15 favoring the plaintiff, and (4) advancement of the public interest (in certain cases).  
16 Alternatively, a court may grant a preliminary injunction if a plaintiff  
demonstrates either a combination of probable success on the merits and *the*  
*possibility of irreparable harm* or that serious questions are raised and the balance of  
hardships tips sharply in his favor.

17 *Earth Island Inst. v. United States Forest Serv.*, 442 F.3d 1147, 1158 (9th Cir., 2006)  
18 (internal quotes and citations omitted, emphasis added).

19 With each passing day, it is increasingly likely that plaintiffs in the instant action will  
20 suffer irreparable harm. Defendants are moving quickly to complete their merger by the end  
21 of the year. Recently, defendants established some 25 "integration teams" to speed the  
22 combination. Additionally, it is widely expected that the Department of Justice will approve  
23 the merger before the new administration takes over in January 2009. Finally, the opposition  
24 of the two airlines' pilot unions to the merger- once thought to be a major impediment to a  
25 rapid closure of the deal- has all but disappeared.  
26  
27  
28

1 At the same time, plaintiffs have already begun to feel the anti-competitive effects of  
2 the merger in the form of reduced numbers of flights, the charging for services otherwise part  
3 of normal service, and increased airfares. These effects will only intensify should the merger  
4 be allowed to take place.

5 If the regular schedule for motions is followed, it may be months before plaintiffs'  
6 motion for preliminary injunction may be heard. By that time, it is likely that much of the  
7 integration of the two airlines will be complete, causing irreparable harm to plaintiffs.  
8

9  
10 **CONCLUSION**

11 For the foregoing reasons, plaintiffs ask this Court set a hearing date, at its earliest  
12 convenience, for the purpose of setting a briefing schedule and a hearing date for plaintiffs'  
13 motion for a preliminary injunction.  
14

15  
16 Dated: July 14, 2008  
17

18  
19 ALIOTO LAW FIRM  
20 GRAY PLANT MOOTY MOOTY & BENNETT, P.A.

21 By: 

22 Thomas Paul Pier  
23 ALIOTO LAW FIRM  
24 555 California Street, 31<sup>st</sup> Floor  
25 San Francisco, CA 94104  
26 Telephone: (415) 434-8900  
27 Facsimile: (415) 434-9200  
28 E-mail: [esexton@aliotolaw.com](mailto:esexton@aliotolaw.com)



Joseph M. Alioto (No. 42680)  
Theresa D. Moore (No. 99978)  
Joseph M. Alioto, Jr. (No. 215544)  
Thomas P. Pier (No. 235740)  
ALIOTO LAW FIRM  
555 California Street, 31<sup>st</sup> Floor  
San Francisco, CA 94104  
Telephone: (415) 434-8900  
Facsimile: (415) 434-9200  
E-mail: [esexton@aliotolaw.com](mailto:esexton@aliotolaw.com)

Daniel R. Shulman (MN No. 100651)  
GRAY, PLANT, MOOTY, MOOTY & BENNETT  
500 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, MN 55402  
Telephone: (612) 632-3000  
Facsimile: (612) 632-4335  
E-mail: [daniel.shulman@gpmlaw.com](mailto:daniel.shulman@gpmlaw.com)

James M. Dombroski (No. 56898)  
LAW OFFICES OF JAMES M. DOMBROSKI  
P.O. Box 751027  
Petaluma, CA 94975-1027  
Telephone: (707) 762-7807  
Facsimile: (707) 769-0419  
E-mail: [jdomski@aol.com](mailto:jdomski@aol.com)

*Attorneys for Plaintiffs*

**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

ROSEMARY D'AUGUSTA *et al.*

Plaintiffs,

v.

NORTHWEST AIRLINES CORPORATION  
and DELTA AIR LINES INC.,

Defendants.

CASE NO: CV 08-3007 VRW

**[PROPOSED] ORDER SETTING  
HEARING DATE TO ESTABLISH  
BRIEFING SCHEDULE AND  
HEARING DATE FOR PLAINTIFFS'  
MOTION FOR PRELIMINARY  
INJUNCTION**

Date: To Be Determined  
Time: To Be Determined  
Judge: Hon. Vaughn R. Walker  
Courtroom 6

1 Plaintiffs above named, having moved to set a hearing date to establish a briefing  
2 schedule and hearing date for plaintiffs' motion for preliminary injunction; and the Court  
3 being of the opinion that the motion should be granted,

4 IT IS HEREBY ORDERED that the plaintiffs' motion is granted and a hearing to set  
5 a briefing schedule and hearing date for plaintiffs' motion for preliminary injunction shall by  
6 heard by this Court at \_\_\_\_m. on \_\_\_\_\_, 2008.

7  
8  
9 Dated: July \_\_\_\_, 2008

10  
11 \_\_\_\_\_  
12 Vaughn R. Walker  
13 United States District Chief Judge  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DECLARATION OF THOMAS PAUL PIER  
IN SUPPORT OF MOTION TO SET HEARING DATE TO ESTABLISH  
BRIEFING SCHEDULE AND HEARING DATE FOR PLAINTIFFS' MOTION  
FOR PRELIMINARY INJUNCTION.**

1. My name is Thomas Paul Pier. I am duly licensed to practice law in the State of California, and I have been admitted to practice law in the United States District Court, Northern California. My California Bar Association identification number is 235740. The matters stated herein are based on my personal knowledge and I am competent to testify thereto.

2. On or about July 10, 2008 I visited AJC.com, whereon I read an article dated June 20, 2008 in which it was stated, in sum or substance, that if the proposed merger receives regulatory approval, Delta and Northwest expect it to close by the end of the year. A printout of the article is attached as Exhibit 1.

3. On or about July 10, 2008 I visited AJC.com, whereon I read an article dated June 20, 2008 in which it was stated, in sum or substance, that Delta announced that about 300 people from both Delta and Northwest had been organized into 25 "integration teams," to help plan the implementation of the proposed merger. A printout of the article is attached as Exhibit 1.

4. On or about July 10, 2008, I visited minnesotamonitor.com, whereon I read an article dated May 1, 2008 in which it was stated, in sum or substance, that Delta Airlines

*Declaration of Thomas Paul Pier in Support of  
Plaintiffs' Motion to Set Hearing Date to Establish a  
Briefing Schedule and Hearing Date for Plaintiffs'  
Motion for Preliminary Injunction*

will make decisions about issues such as job losses and the closure of call centers. A printout of the article is attached as Exhibit 2.

5. On or about July 10, 2008, I visited MSNBC.com, whereon I read an article in which it was stated, in sum or substance, that Delta and Northwest pilot negotiators announced that they have reached a tentative agreement with Delta management on a joint contract to cover both pilot groups, which will help the airlines integrate faster and more smoothly. A printout of the article is attached as Exhibit 3.

6. On or about July 10, 2008, I visited usatoday.com, whereon I read an article in which is was stated, in sum or substance, that Delta and Northwest pilots announced that they have agreed to submit to binding arbitration to help them craft an integrated seniority list if the two sides cannot reach a deal on their own within a certain timeframe. A printout of the article is attached as Exhibit 4.

7. On or about July 10, 2008, I visited minnesotamonitor.com, whereon I read an article dated May 1, 2008 in which it was stated, in sum or substance, that Northwest CEO Doug Steenland will be paid \$18.3 million to relinquish his position if the proposed merger goes through. A printout of the article is attached as Exhibit 2.

8. On or about July 10, 2008, I visited usatoday.com, whereon I read an article dated April 15, 2008 which stated, in sum or substance, that it is widely expected that the Justice Department's antitrust division will sign off on the proposed merger by year's end. A printout of the article is attached as Exhibit 5.

9. On or about July 10, 2008, I visited usatoday.com, whereon I read an article dated April 15 2008 which stated, in sum or substance, that Delta and Northwest have

*Declaration of Thomas Paul Pier in Support of  
Plaintiffs' Motion to Set Hearing Date to Establish a  
Briefing Schedule and Hearing Date for Plaintiffs'  
Motion for Preliminary Injunction*

indicated that they want regulatory approval for their proposed merger from the DOJ by the end of 2008. A printout of the article is attached as Exhibit 5.

10. On or about July 10, 2008, I visited airwise.com, whereon I read an article dated July 1, 2008 that stated, in sum or substance, that the Chairman of the United States Senate's Commerce Committee's aviation panel, John Rockefeller (D- West Virginia) stated that he would not oppose the merger. The article also stated that Rockefeller's support- or his non-opposition- as chairman of the Commerce Committee's aviation panel sends an important signal to other lawmakers. A printout of the article is attached as Exhibit 6.

11. On or about July 10, 2008, I visited usatoday.com, whereon I read an article dated March 18, 2008 that stated, in sum or substance, that Delta will reduce its domestic flying capacity by 10% by year's end. A printout of the article is attached as Exhibit 7.

12. On or about July 10, 2008, I visited nytimes.com, whereon I read an article dated June 18, 2008 that stated, in sum or substance, that on June 17, 2008, Northwest announced that it would cut its capacity in the fourth quarter by 9.5%. A printout of the article is attached as Exhibit 8.

13. On or about July 10, 2008, I read a number of articles relating to fees and charges imposed by defendants. For instance, on sfgate.com, I read an article dated July 2, 2008 which stated in sum or substance that Delta Airlines has begun to charge up to \$50 to redeem frequent flier miles, charges \$100 for children to fly alone and has implemented various fuel surcharges. A printout of this article is attached as Exhibit 9. I also read an article at bizjournals.com dated May 5, 2008 that stated that Delta Airlines

*Declaration of Thomas Paul Pier in Support of  
Plaintiffs' Motion to Set Hearing Date to Establish a  
Briefing Schedule and Hearing Date for Plaintiffs'  
Motion for Preliminary Injunction*

has added a \$110 fuel charge for its LAX-HNL flights. A printout of the article is attached as Exhibit 10. On star-telegram.com I read an article dated July 4, 2008 that stated that in early July 2008, the major airlines, including Delta and Northwest, raised fares for the 21<sup>st</sup> time this year when they uniformly imposed a round-trip \$20 fuel surcharge. A true and correct copy of the article is attached as Exhibit 11.

I declare, under penalty of perjury and the laws of the State of California, that the foregoing is true and correct.

Executed this 14<sup>th</sup> day of July 2008, at San Francisco, California.

---

Thomas Paul Pier

*Declaration of Thomas Paul Pier in Support of  
Plaintiffs' Motion to Set Hearing Date to Establish a  
Briefing Schedule and Hearing Date for Plaintiffs'  
Motion for Preliminary Injunction*

# EXHIBIT 1

**FREE\* Dinner for Two  
at Olive Garden®**



**Click Here**

Advertisement | \*Participation required. See details.

**ajc.com**  
The Atlanta Journal-Constitution

**PRINT THIS**

[ajc.com](#) > [Business](#) > [Delta](#)  
300 employees to form Delta-Northwest merger plans

By [KELLY YAMANOUCHI](#)  
The Atlanta Journal-Constitution  
Published on: 06/20/08

About 300 people from Atlanta-based Delta Air Lines and Eagan, Minn.-based Northwest Airlines have been enlisted to help plan the integration of the two carriers in their proposed merger.

There are 25 integration teams, Delta chief executive Richard Anderson said in a message to employees this week.

The teams report weekly to leaders of the two companies, Anderson said. Officials met last week in Minneapolis to plan the merger and integration.

The airlines plan to announce in early July details on how the combined company will be organized.

"The integration teams have already made a number of significant decisions and have made significant progress in working through a very detailed game plan about how to make this a successful merger," Anderson said in the message.

If the deal receives regulatory approval, the carriers expect it to close by the end of the year.

Northwest chief executive Doug Steenland said in comments at a Merrill Lynch conference earlier this week that "as you go through this process, you have to make sure that the leaders at the airline all don't run to one side of the boat — i.e., the integration side — and neglect the operation, revenue generation, running the business on the day-to-day side."

"That's sort of a constant challenge," Steenland said. "There is a ton of work that has to get done between now and closing in order to make sure that the transaction can move forward. And so people are, I think fair to say, burning the candle at both ends to try to meet those goals."

Vote for this story! **More on ajc.com**

- [Pilot deal paves way for Delta, Northwest merger](#)
- [Delta, Northwest pilots unions reach deal](#)
- [Pilot deal eases way for Delta merger](#)
- [EXECUTIVE COMPENSATION: Big wheels keep on earning](#)
- [Delta, Northwest plan for transition](#)
- [Delta CEO says fares must rise 'significantly'](#)
- [Delta CEO says fares must rise 'significantly'](#)
- [Delta CEO says fares must rise 'pretty significantly'](#)



- [Delta may cut more flights](#)
- [Delta open to cutting flights](#)

[Expand this list](#)

## Related Subjects

- [Delta Air Lines Inc.](#)
- [Richie Anderson](#)
- [Business](#)  
[Company Activities and](#)
- [Information](#)
- [Mergers and Acquisitions](#)
- [Air Travel](#)
- [Transportation](#)

[Expand this list](#)

## Find this article at:

[http://www.ajc.com/business/content/business/delta/stories/2008/06/20/delta\\_merger\\_plans.html](http://www.ajc.com/business/content/business/delta/stories/2008/06/20/delta_merger_plans.html)

☐ Check the box to include the list of links referenced in the article.

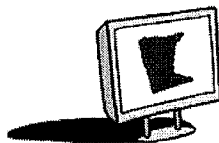
**FREE\* Dinner for Two**  
**at Olive Garden®**



**Click Here**

Advertisement | \*Participation required. See details.

# EXHIBIT 2

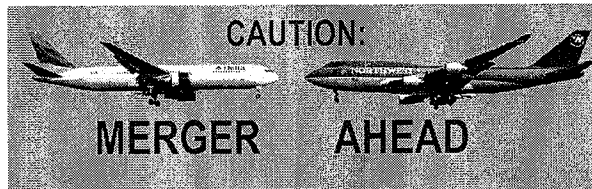


# Minnesota Monitor

see all recent | politics | local news | media | environment | press room | comment policy | write for us

## In Lege hearing, Northwest execs underline the uselessness of NWA's promises to state

by: Britt Robson  
 Thu May 01, 2008 at 12:29:50 PM



A billion dollars is literally a nice round number -- lots of zeroes. That's the amount of "annual synergies" that a merger between Delta and Northwest will be able to create, according to Ben Hurst, the general counsel and senior veep of corporate affairs for Northwest. Hurst was the lead speaker in front of the Minnesota Senate's Business, Industry and Jobs Committee Wednesday morning, and he was full of good news. The Delta-Northwest combine will be "a merger of addition, not subtraction," he said, between airlines that are "the two strongest, by any measure." The hub operations at the Lindbergh Terminal "will be strengthened, and grow." Why, last year Northwest made \$760 million in profits and was able to give \$125 million of that directly to its employees. Delta likewise profited by hundreds of millions of dollars.

Then it was time for questions. Sen. David Tomassoni (DFL-Chisholm), wanted to know the future status of the Northwest reservation center currently employing 500 people up on the Iron Range. Why, that reservation center "is one of the jewels of the airline," Hurst replied. "I don't believe the future of that reservation center is in doubt." But Hurst's final thought on the subject? "You should talk to Delta."

Then Tomassoni cut to the chase. "How many jobs do you see Minnesota losing?" he asked. After some hemming and hawing, Hurst responded, "That is a conversation you have to have with Delta."

Bottom line, it really didn't matter what happy talk Hurst provided; if and when this "merger" occurs, the people at Delta will be the ones calling the tune. Hurst provided some unintentional comedy in this regard when he enumerated the three conditions Delta laid out for the deal: The "merged" company would be named Delta, the current CEO of Delta would be the CEO of the merged company, and the corporate headquarters would be in Atlanta, where Delta is currently headquartered. A real meeting of equals.

For the record, both Delta CEO Richard Anderson and Northwest CEO Doug Steenland have publicly stated that they don't envision any more than 1000 jobs being cut, and that none of them will be "front line" employees, such as pilots, mechanics, flight attendants, customer service agents, and so forth. As we just noted, it doesn't matter what Steenland says -- he'll be paid \$18.3 million to vacate the premises once the deal goes through. But one wonders how Anderson and the Delta executives plan to reap a cool billion every year without whacking more than 1000 mostly white collar jobs.

Wednesday's testimony from the union representatives of Northwest employees reinforced that skepticism. Stephen Gordon of International Association of Machinists and Aerospace Workers (IAM) District 143, and Rene Foss of the Association of Flight Attendants-CWA, AFL-CIO, represent precisely the front line employees Hurst had just claimed would be "the primary beneficiaries of the merger," holding down jobs that Anderson and Steenland implied would be safe.

**Continued: Click "Read More"**

Yet Foss claimed that "Delta has made it clear they anticipate only one union on the property and that is the ALPA, the pilots union. It seems their agenda is to eliminate our union...and destroy our

search

go

Send us a news tip!



### This Just In

Minnesota Monitor is now the Minnesota Independent  
 Paul Schmelzer

Video: O'Reilly Factor ambush on Moyers backfires at media conference  
 Paul Schmelzer

Franken wins DFL endorsement  
 Paul Demko

DFL Convention: Let the balloting begin!  
 Paul Demko

DFL convention: Franken v. Nelson-Pallmeyer  
 Paul Demko

Lowe's ads get OK in Minneapolis parks  
 Chris Steller

### View all recent posts

Advertisements on Minnesota Monitor are business transactions and do not represent endorsements of candidates or groups.

### Premium Ads

Advertise on MinMon

## Breaking on the Blogs

### Across The Great Divide

Glittering Signs of the Times.

### A Bluestem Prairie

Public access cable alert: Walz on DAV convention

### Centrisity

On Drilling

### The Cucking Stool

The real story behind (tm)

### Sky Blue Waters

The url of this site has been changed. Please update your bookmarks!

### MN Publius

Day One of Filing

contract." She reported that Delta flight attendants currently waging an election for union representation are "being harassed and intimidated in this voting process" by Delta.

Gordon spelled it out in his words to the committee. "Northwest and Delta's top executives claim no hubs will be closed, no employees will be involuntarily laid off, but nevertheless the new company will enjoy unprecedented success. They either take the American people and their own employees for fools or think we suffer from amnesia and don't remember what has happened in recent mergers... If this merger is approved, the combined carrier will begin with 80,000 employees. Delta's Atlanta hub and Northwest's Memphis hub are less than 400 miles apart. Delta has a hub in Cincinnati while Northwest has one 300 miles away in Detroit... It is too much to believe that they are going through this massive and extremely costly undertaking simply to maintain the status quo."

As for Anderson's claim that only management and administrative personnel will involuntarily lose their jobs, Gordon called it "today's fairy tale," and then went through a litany of broken promises previously made by Northwest. He concluded his formal statement by noting that through its bankruptcy proceedings, Northwest was able to squeeze \$190 million per year in wage concessions out of his members over a five-year period, dwarfing the \$125 million Northwest gave back as part of last year's profits.

During the question-and-answer period, Gordon further sought to make the distinction between jobs that paid \$18 an hour and provided benefits and a pension plan -- union jobs -- with jobs that paid half that much per hour and scrimped on benefits. This, he suggested, is how non-union Delta plans to cull its workforce as the unionized Northwest workers "voluntarily" reject those lesser terms. At this point, committee chair Sen. James Metzen (DFL-South St. Paul) inexplicably took offense, telling Gordon he "didn't like your tone" and invoking his own blue collar roots and past union support. "We are here to help you," Metzen spat.

Yet the ever-helpful Metzen opened the meeting by stating that two pieces of legislation that attempt to hold Northwest to the terms of its previous covenants and agreements -- which would be broken if the airline was no longer headquartered here -- would not be taken up because "there is not enough info on the two bills to pass them out." Last Tuesday the House Commerce and Labor Committee disagreed, passing the companion to one of the bills out of its committee.

After stalling the legislation, Metzen then opened his remarks by saying he wanted to be "positive if we can" about the proposed "merger" and "not use a shotgun approach." In introducing Ben Hurst, he acknowledged that "Mr. Hurst and I have had a couple of meetings." Maybe if he'd met with Stephen Gordon beforehand, he wouldn't have misconstrued what Gordon was saying and turned into such a pompous ass.

Today's two-hour session didn't even scratch the surface of what's to come. Metzen has promised to have in representatives from Delta and the Metropolitan Airports Commission--the real players in the legal contracts Delta would be breaking if it pulled the headquarters out of Minnesota--sometime next week. In addition, Sen. Steve Murphy (DFL-Red Wing) said he will take up the matter in the Senate Transportation Committee that he chairs. "And our committee is probably going to be more aggressive than this one," Murphy stated.

Digg

StumbleUpon

submit  
to  
reddit

Seed Newsvine

submit

Tags: local news, Northwest Airlines, Delta Airlines, Northwest-Delta Merger, business, Economy, (All Tags)

Print Friendly View Send As Email

In Lege hearing, Northwest execs underline the uselessness of NWA's promises to state | 0 comments | Post A Comment

## Our Blogs

Eleventh Avenue South

Eyeteeth

Minnesota Campaign Report

Outside the Grid

Sky Blue Waters

Power Liberal

Advertisements on Minnesota Monitor are business transactions and do not represent endorsements of candidates or groups.

MN PLAN - Minnesota Progressive/Liberal Ad Network

ADVERTISE  
LIBERALLY

BlogAds on MinMon

Advertise on MinMon

## Beats We Cover

Campaigns  
Capitol Hill  
Education  
Environment  
GLBT Issues  
Local Government  
Media  
Online Politics  
Politics & Money  
Immigration  
Religion  
Transportation  
Women's Issues

BLOGBURST

### Menu

Make a New Account

Username:

Password:

### Archive

July 2008  
June 2008  
May 2008

### Minnesota Monitor

about contact code of ethics  
feedback privacy policy  
RSS/XML e-news alerts

sitemeter

» Blogs that link here

Technorati

Stat Counter

View My Stats

# EXHIBIT 3



## Delta, Northwest pilots agree on joint contract

Major issue to completing merger removed if rank-and-file OK deal

**The Associated Press**

updated 2:02 p.m. PT, Tues., June. 24, 2008

~~ATLANTA - Delta and Northwest pilot negotiators say they have a tentative agreement with Delta management on a joint contract to cover both pilot groups when the companies combine later this year.~~

Delta's pilots union said in a statement Tuesday that the agreement is between the two pilot groups and Delta management. Terms were not disclosed.

Next the two pilot groups will try to reach an agreement on a merged seniority list.

The joint contract agreement, which covers roughly 12,000 pilots from both airlines, still needs rank-and-file approval and to be reviewed by the governing bodies of the two unions. Both unions' executive committees were scheduled to meet separately later this week.

Delta pilots already have their own deal with management, including pay raises and equity in the combined company. That move angered Northwest pilots, who felt left out by their fellow members of the Air Line Pilots Association (ALPA).

Atlanta-based Delta Air Lines Inc. announced April 14 that it is acquiring Eagan, Minn.-based Northwest Airlines Corp. The stock-swap deal, if approved by shareholders and regulators, would create the world's largest airline.

Delta shares rose 26 cents, or 5.2 percent, to close at \$5.26 on Tuesday, while Northwest shares rose 41 cents, or 7.4 percent, to close at \$5.92.

Delta's pilots union called the tentative joint contract agreement "the first important step in the process of combining two pilot groups with long, proud histories, into the largest unified pilot group in the world."

It said in a statement that the process of review and ratification will occur as a separate and independent internal process within each pilot group.

Delta Chief Executive Richard Anderson said he was pleased with the agreement.

"Achieving a joint contract and combined seniority list in advance of the closing of the merger is something that has never been done in this industry," Anderson said.

He said the airline hopes an integrated seniority list can be achieved by the closing of the combination of Delta and Northwest.

Pilots value their seniority because it determines their schedule, the aircraft they fly, and layoff protection.

Northwest pilot union spokeswoman Doreen Clark said the goal of the negotiations was a joint contract "that enhances the careers of all pilots involved followed by a fair and equitable seniority list integration; in the end, it will be the line pilots who make the final decision."

Lee Moak, the head of Delta's pilots union, has said pilot negotiators from Delta and Northwest were able to reach an agreement on a joint contract before the combination transaction was announced in April, but that was not finalized because they couldn't reach a deal on seniority.

~~The airlines do not need a joint pilot contract to combine, but it will help them integrate faster and more smoothly. They are trying to avoid the fate of US Airways Group Inc. Three years after it joined with America~~

West Airlines, its pilots feud got so bad that pilots ousted ALPA and formed a new union. They still do not have a contract covering pilots from both airlines.

Pilots are the only major unionized group at Delta, while Northwest's front-line workforce is heavily unionized. Northwest's other unions will continue to represent those workers under their old contracts until votes by the combined workforce determine whether those unions stay or go.

*Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

URL: <http://www.msnbc.msn.com/id/25354575/>

---

MSN Privacy . Legal  
© 2008 MSNBC.com

# EXHIBIT 4





PRINT THIS

Powered by Clickability

## Delta pilot chief spells out deal with NWA pilots

By Harry R. Weber, AP Business Writer

ATLANTA — Delta and Northwest pilots have agreed to submit to binding arbitration to help them craft an integrated seniority list if the two sides cannot reach a deal on their own within a certain timeframe.

Lee Moak, the head of Delta's pilots union, did not spell out that timeframe in a letter he sent to fellow pilots on Thursday.

However, the sides have said they hope to have an integrated seniority list by the time Atlanta-based Delta Air Lines Inc. completes its acquisition of Eagan, Minn.-based Northwest Airlines Corp. later this year. The combination is subject to regulatory and shareholder approval.

Pilots value their seniority because it determines their schedule, the aircraft they fly, and layoff protection.

Moak has said previously that pilot negotiators from Delta and Northwest were able to reach an agreement on a joint contract before the Delta-Northwest combination transaction was announced in April, but that was not finalized because they couldn't reach a deal on seniority.

On Tuesday, the two pilot groups reached a tentative agreement on a joint contract, leaving the thorny issue of seniority integration as the only major item left for them to resolve. This time, unlike before, they also agreed to a process on reaching an agreement on seniority that would seem to ensure an arrangement will be worked out one way or another.

Delta's pilot union leaders have approved the tentative contract agreement, while Northwest's pilot union leaders were scheduled to discuss the agreement Thursday. Once the agreement is approved by the leadership of both unions, it would go to the rank-and-file at both unions for separate approval.

The contract would take effect upon closing of the combination of the two airlines and would be amendable on Dec. 31, 2012.

In his letter to Delta pilots, Moak indicated that the joint contract calls for Northwest pilots to be brought up to the same pay scale as Delta pilots.

"The foundation of the joint collective bargaining agreement is the current Delta pilot working agreement," Moak said.

Northwest pilots, like Delta pilots, also will get equity in the combined company, according to a spokeswoman for Delta's pilot union.

Additional benefits for all pilots of the combined Delta include an extra 2% increase to the Delta pilots defined contribution plan, 1% in 2011 and another 1% in 2012. That would bring the total retirement plan contribution percentage to 14%.

Moak said the defined contribution plan percentage will be phased in for pre-merger Northwest pilots over the term of the agreement.

As far as the seniority integration issue, the two sides have agreed to a process that provides for a period of discussions designed to reach a negotiated agreement.

Advertisement

*Let's take a  
little air out  
of inflation.*



~~Moak said that if the two groups are unable to reach an agreement within a certain timeframe, then the two sides will enter into binding arbitration before a panel of three arbitrators.~~

The resulting seniority list, whether achieved through negotiations or arbitration, will be final and binding and will be incorporated into the joint collective bargaining agreement, Moak said.

The joint contract, if ratified, requires Delta to accept the results of the seniority integration process subject to certain conditions, Moak said.

The joint contract agreement covers roughly 12,000 pilots from both airlines.

The airlines do not need a joint pilot contract to combine, but it will help them integrate faster and more smoothly. They are trying to avoid the fate of US Airways Group Inc. Three years after it joined with America West Airlines, its pilots feud got so bad that pilots ousted the Air Line Pilots Association and formed a new union. They still do not have a contract covering pilots from both airlines.

Pilots are the only major unionized group at Delta, while Northwest's front-line workforce is heavily unionized. Northwest's other unions will continue to represent those workers under their old contracts until votes by the combined workforce determine whether those unions stay or go.

*Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

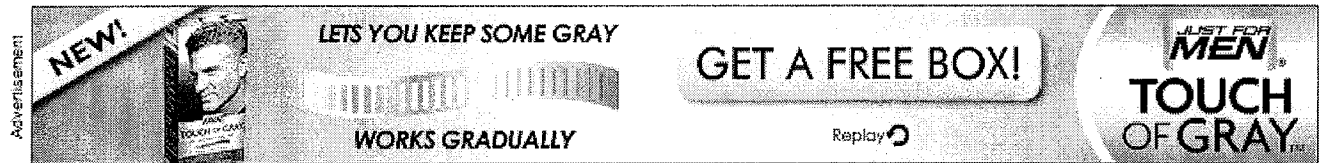
**Find this article at:**

[http://www.usatoday.com/travel/flights/2008-06-26-delta-nwa-pilots\\_N.htm](http://www.usatoday.com/travel/flights/2008-06-26-delta-nwa-pilots_N.htm)

☐ Check the box to include the list of links referenced in the article.

Copyright 2008 USA TODAY, a division of Gannett Co. Inc.

# EXHIBIT 5



4/15/2008

PRINT THIS

Powered by Clickability

## Delta, Northwest airlines treat merger as a done deal

By Dan Reed and Marilyn Adams, USA TODAY

To hear old buddies Richard Anderson and Doug Steenland talk, the proposed merger of Delta (DAL) and Northwest (NWA) airlines not only will sail through the usually tough antitrust review process, it'll usher in a new era of airline prosperity and easy consumer access to the world.

Anderson, Delta's CEO, and Steenland, Northwest's, touted their vision in glowing terms Tuesday as a public relations campaign to promote the merger began in earnest.

In reality, the merger announced Monday night already is facing challenges, ranging from lawmakers and consumers worried about reduced competition, abandoned hubs and higher prices for both domestic and international flights, to distrustful employees and some industry veterans who have seen past proposals crater before consummation.

The stock market signaled its concerns Tuesday. Both carriers' shares tumbled on a day when the Dow Jones industrial average rose 60 points.

Northwest shares fell 8.4%, or 94 cents, to \$10.28. Delta's stock price fell 12.6%, or \$1.32 a share, to \$9.16. That drops the value of stock Delta will give current Northwest shareholders in exchange for their Northwest shares to about \$2.7 billion, from the \$3.1 billion it was worth Monday.

Still, the early betting in and around the airline industry, on Wall Street and in Washington, D.C., is that the Justice Department's antitrust division will sign off on the deal by year's end.

That's partly because the carriers just last week received grants of antitrust immunity from regulators in both the USA and the European Union for their four-way trans-Atlantic alliance with Air France and its sister airline, KLM. Now, Delta and Northwest leaders figure getting antitrust clearance for the combination of two carriers that compete head-to-head on just 12 domestic routes should be a cinch.

Anderson told analysts Tuesday that it's a case of perfect timing for winning antitrust approval for the merger.

Lawyer Roger Fones, who headed the Justice Department's antitrust division until 2005, more or less agrees. "The industry looks a lot different than when I was in government" and directed the review that led to the Justice Department's 2001 decision to block a proposed merger between United and US Airways, he said.

Unlike the situation seven years ago, "When the government looks at individual markets, it will see that the market shares of low-cost carriers are higher," he said.

Low-cost airlines such as Southwest Airlines now carry about a third of all U.S. travelers, up from less than 15% of the domestic market in the mid-1990s.

Fones, now a partner at Morrison Foerster in Washington, also said the carriers' expectation that the Justice Department's review could be completed before year's end is realistic so long as the parties promptly provide all the data and information that Justice Department lawyers request. Delta and Northwest want a decision before next year's change in administrations. But such a quick review would be remarkable, given the length of past airline antitrust review cases not involving failing carriers in the past 20 years.

Advertisement

1

FREE RENTAL DAY

2

FREE RENTAL DAYS

Enjoy great savings  
premier service  
and great benefits

all at no cost to  
your company

AVIS Corporate Awards  
PROGRAM

The airlines' merger announcement has set off speculation about other possible airline mergers behind it. Continental, which has previously held discussions with United Airlines, told employees Tuesday that it has to reconsider staying independent and "make sure we remain a strong long-term competitor."

The Delta-Northwest merger would create a global juggernaut that would appeal to large global corporations eager to negotiate bulk travel deals with a carrier that can meet nearly all of their travel needs around the world.

"This gives us the opportunity to have the No. 1 or No. 2 market share in every market in the world," said Anderson, who used to run Northwest with Steenland as his top lieutenant.

Not only would Delta rank as the largest carrier in the USA's domestic market, it would be the top U.S. carrier providing service across the Pacific, to Europe, to Africa and the Middle East, and it would be the No. 2 U.S. carrier to Latin America and the Caribbean.

Not everyone is thrilled with that prospect.

Phoenix-based industry consultant Hubert Horan, who in the early and mid-1990s ran Northwest's international division as it developed its successful trans-Atlantic alliance with KLM, says he doesn't believe the \$1 billion in annual revenue improvements and cost savings touted by Anderson and Steenland is enough to offset the huge financial risks associated with trying to integrate two vastly different companies.

Northwest is heavily unionized; Delta's pilots are its only significant labor group in a union. The airlines' fleets differ significantly.

But Horan says his biggest concern is the potential for steep increases in international fares.

"I think this is one of the most horribly, crudely anti-competitive developments in this industry ever," he says. "Everyone talks about the need to consolidate and reduce capacity on the domestic side because of high fuel prices," he says. "But they're justifying this merger all on the international side. They're planning to stick it to international travelers."

"Once all these mergers and alliances get done, you won't be able to undo them. Travelers will be" defenseless against the carriers' pricing power across the Atlantic, Horan said. "Permanently."

#### **Business travelers' doubts**

Some consumers also are not yet convinced the Delta-Northwest merger would be such a good thing.

According to a survey by the National Business Travel Association prior to the deal's announcement, 54% of its members — corporate travel managers — believe that customer service on a merged Delta will be poorer, while 41% said flight schedules and frequencies will worsen.

Only 22% of the NBTA's members said further airline consolidation will be a "positive development," even though 80% considered it "inevitable."

Delta and Northwest officials insist that no hubs would be closed after their merger, but they left open the possibility of further shrinkage and route changes. Both carriers have announced significant schedule cutbacks that will begin later this year in response to oil prices that hit an all-time high of almost \$114 on Tuesday.

"Can they really support all these hubs?" asked John Steinberg of Baltimore, who has earned nearly 4 million miles in both carriers' frequent-flier programs.

A merger would let him maximize the miles he could earn by traveling on a single airline. But the proximity of the hubs is a concern.

"You're looking at Minneapolis, Detroit, Cincinnati, Memphis and Atlanta. They're awfully close. Atlanta and Memphis are drivable," he says.

#### **Labor's concerns**

To no one's surprise, Northwest's pilots and ground workers already are strongly opposing the deal.

The pilots, members of the Air Line Pilots Association, couldn't reach a merger integration deal with their counterparts at Delta during talks in February and March. They feared that the seniority integration plan preferred by Delta's ALPA members would have severely reduced the career earnings of most Northwest pilots.

That situation hasn't changed, and now Delta's pilots have cut a deal with their management that assures them that they won't lose any position or money in a merger integration. The agreement provides for annual pay raises starting in 2009 and a 3.5% equity stake in the company if the merger goes through. The pilots would get the increased pay and benefits in exchange for letting Delta adjust their flying to integrate the carriers.

Dave Stevens, head of the ALPA unit at Northwest, has vowed to "use all resources available to aggressively oppose the merger.

"The risk to Northwest Airlines and to the Northwest pilots group from letting this merger proceed, as it is now structured, is simply too great," he said.

The International Association of Machinists union, which represents Northwest's bag handlers and agents, also is strongly opposed to the merger. That is partly because they are outnumbered by their non-union counterparts at Delta who could win a vote to keep the union out at Delta after the merger.

"Airline industry consolidation will come at tremendous public expense," Robert Roach Jr., the IAM's general vice president, said in a statement.

Steenland and Anderson sought to calm fears of a pilots' revolt.

"There's plenty of time for us to sit down with all the parties and negotiate a contract for all the new Delta employees going forward," Anderson said.

### Critics on Capitol Hill

Delta and Northwest also are likely to find the merger to be a tough sell in Congress, where the list of those who either are opposed to the deal or not yet convinced is growing.

Sen. Herb Kohl, D-Wis., is worrying publicly about the possible loss or reduction of service to small towns.

Leading the opposition in Congress is Minnesota Rep. James Oberstar, the powerful Democratic chairman of the House Transportation Committee, from the state where Northwest is headquartered and who is closely allied with organized labor.

He said Tuesday he'll call Anderson and Steenland to testify before his committee and said the merger would create a "globe-straddling megacARRIER" that would be bad for passengers.

"Faced with that economic power, the low-cost carriers will not be able to compete.

Rep. Jerry Costello, D-Ill., added that he is skeptical about the executives' claims that the merged Delta would retain all the two carriers' existing hubs.

"We've heard that before, from American Airlines when it acquired TWA," he said. American executives testified they would keep St. Louis as a hub, but cut flights there in half less than two years later.

Contributing: Barbara De Lollis, Roger Yu

### FALLING INTO PLACE | Story

Other ways in which Northwest and Delta compare with American Airlines:

Northwest	Delta
<b>Strengths</b> One of the two strongest U.S. carriers in trans-Pacific market; fortress hubs in midwestern USA.	<b>Strengths</b> Leading U.S. carrier in trans-Atlantic market. Powerful U.S. route network, especially in Northeast, Southeast and West; operator of one of the shuttles serving Washington, New York and Boston.
<b>U.S., international hubs</b> • Amsterdam • Detroit • Memphis • Minneapolis-St. Paul • Tokyo	<b>U.S. hubs</b> • Atlanta • New York JFK • Cincinnati • Salt Lake City

### Find this article at:

[http://www.usatoday.com/money/industries/travel/2008-04-15-delta-northwest-airline-merger\\_N.htm](http://www.usatoday.com/money/industries/travel/2008-04-15-delta-northwest-airline-merger_N.htm)

☐ Check the box to include the list of links referenced in the article.

Copyright 2008 USA TODAY, a division of Gannett Co. Inc.

# EXHIBIT 6





#### Airwise News

Top Stories  
Airline News  
Airport News  
Aviation Industry News  
Cargo/Freight News  
Air Travel News  
News Search

#### Airwise Travel

Book Flights, Hotels  
and Rental Cars

#### Flight Schedules

Worldwide Flight  
Schedules

#### Flight Arrivals

Check US Flight Arrival  
Times

#### Airwise Sections

HubPage  
Airwise News  
Airport Guide  
Airwise Travel  
Site Search

#### Airfares from only \$49

We offer promo  
airline deals. Save  
on any flight right  
now!  
[www.AirfareHawk.net](http://www.AirfareHawk.net)

#### Northwest Air Lines?

Looking for  
Northwest air  
lines? Find  
Northwest air lines  
here  
[southtravels.com](http://southtravels.com)

#### Airline ticket

Compare Your  
Favorite Travel  
Sites. Fast & Easy  
Online Booking!  
[www.LowFares.com](http://www.LowFares.com)

#### Most Global Destinations

Delta & Northwest  
Together will be  
America's Premier  
Global Airline  
[www.NewGlobalAirline.com](http://www.NewGlobalAirline.com)

HubPage Top Stories Airline News Airport News Aviation News Cargo/Freight News Travel News Search

## AIRwise News

Tuesday July 1, 2008

### US Senate Aviation Chair Not Against Delta Merger

May 8, 2008

The chairman of the committee overseeing aviation affairs in the US Senate said on Wednesday he would not oppose the proposed merger of Delta Air Lines and Northwest Airlines.

Democrat John Rockefeller of West Virginia told the chief executives of both airlines at the conclusion of a hearing on the deal that he was not inclined to challenge the merger agreement.

"I'm not against a merger. I want very strong scrutiny by the Department of Justice and others with great detail, but I'm not convinced here that anyone is operating out of ill faith," Rockefeller said.

But he said the "stakes were enormous" and the aviation system was not working well for everyone. Rockefeller said he does not want to "go back to that day," but he would not "discount entirely" the prospect of re-regulating airlines, especially if service to small and medium-sized communities deteriorates severely.

Congress deregulated the airlines in the late 1970s, but still taxes the industry, imposes fees for airport improvement and security, and oversees safety.

Although Congress cannot block a merger, lawmakers can apply pressure to regulators and use the bully pulpit and other political levers to disrupt the timing of a deal or influence public sentiment. Outright congressional support, while not crucial, can help the two clear regulatory hurdles.

A leading voice in Congress, Rockefeller's support – or his non-opposition – as chairman of the Commerce Committee's aviation panel sends an important signal to other lawmakers.

Other key lawmakers in the Senate and the House of Representatives have put up little or no resistance to the proposal.

But senators at the hearing sought assurances from Delta's Richard Anderson and his counterpart at Northwest, Douglas Steenland, that the merged carrier would not reduce jobs or service to their communities.

The pair said there are no immediate plans to shrink the airline, but they could not predict how the company would look in the future if financial losses due to high fuel prices or a weaker economy continue.

"There are variables outside our control that could change the dynamic," Steenland said.

In April, Delta proposed an all-stock buyout of Northwest to create the world's largest airline. The industry is losing money and facing a bleak outlook due to fuel costs that pressed further into record territory on Wednesday.

"The combination of Delta and Northwest creates a company with a more resilient business model that can withstand volatile fuel prices more effectively than either could on a stand-alone basis," Steenland said.

Ray Neidl, an industry analyst with Calyon Securities, told lawmakers there are "major doubts" the industry can remain viable with fuel costs rising deeper into uncharted territory.

"Through consolidation, the industry will be in a better position to rationalize capacity, further cut costs and enhance revenues," Neidl said.

Unions, still stung by bankruptcies at Northwest and Delta between 2005-07, expressed skepticism with management and Wall Street. Flight attendants, baggage handlers and other workers are worried consolidation will lead to job cuts and reduced wages and benefits.

"I'm not so sure that we should rush headlong into supporting this call for greater



#### Top Stories

- Warning Strike Forces Lufthansa To Cancel Flights
- TradeWinds Airlines Sues Soros For USD\$55 Mln
- Alitalia Net Debt Falls To EUR1.12 Billion
- Ex-Airbus Boss Humbert Held In Trading Probe

#### Delta&Northwest

**Together**  
Creating  
Unprecedented  
Access to the  
World-Premier  
Global Airline  
[www.NewGlobalAirline.com](http://www.NewGlobalAirline.com)

#### Upgrade To First Class

People who sit up  
front don't have the  
money. They have  
the brains.  
[FirstClassFlyer.com](http://FirstClassFlyer.com)

#### Find Cheap Delta Flights

Search 130+ Travel  
Sites to Find  
Lowest Airfare on  
Delta Airlines!  
[www.BookingBuddy.com](http://www.BookingBuddy.com)

#### Cheap Airline Tickets

Buy Discounted Air  
Tickets and Save  
up to 65% on Most  
Fares  
[www.CheapoAir.com](http://www.CheapoAir.com)

consolidation without taking a very serious pause," said Patricia Friend, president of the Association of Flight Attendants.

The AFA represents attendants at Northwest and is trying to organize those workers at Delta, where pilots and a handful of other employees are unionized.

Friend accused Delta of "anti-union tactics" in the organization drive.

"Delta executives have not been shy about their efforts to prevent the employees from forming unions," Friend said.

Anderson said the company treated its employees well and has never had a strike. He said Delta would "respect" the organizing process, which is overseen by federal mediators.

(Reuters)

[HubPage](#) [Top Stories](#) [Airline News](#) [Airport News](#) [Aviation News](#) [Cargo/Freight News](#) [Travel News](#) [Search](#)



[HubPage](#) | [Airwise News](#) | [Airport Guide](#) | [Airwise Travel](#) | [Airwise Site Search](#)

[ [email to feedback@airwise.com](mailto:feedback@airwise.com) ]

© Ascent Pacific 2008

# EXHIBIT 7



PRINT THIS

Powered by Clickability

3/18/2008

## Fuel prices force airlines to squeeze flights and jobs

By Dan Reed, USA TODAY

Fewer planes, fewer flights and fewer jobs — that's how some U.S. airlines plan to cope with a 30% rise in fuel prices the past six weeks.

Top executives from United, (UAUA) Delta, (DAL) JetBlue (JBLU) and US Airways (LCC) announced new fleet cutbacks Tuesday, while executives from other carriers, including both global No. 1 American (AMR) and top discounter Southwest, (LUV) left the door open for capacity cuts or further slowing of their growth.

The executives spoke Tuesday at the annual JPMorgan Chase Transportation Conference in New York.

"It's not a good time for the industry right now," said Delta President and CFO Ed Bastian. "We believe the capacity reductions we're implementing are the right tonic. But to the extent we need to go deeper, we are committed to doing so."

Oil prices rose Tuesday to \$109.42 a barrel. Jet fuel recently has traded at record levels above \$3.15 a gallon compared with an average of \$2.17 last year.

But the announced fleet cuts, and hints of possible additional cutbacks, seemed to help airline stocks. On a day when the Dow Jones average jumped 420 points, all the USA's big airlines saw their shares finish in positive territory for the first time in several weeks.

The changes announced Tuesday:

• **Delta** will dump 15-20 older, less efficient mainline jets, plus 20-25 regional jets. The change will result in a 10% reduction in Delta's domestic flying capacity by year's end. It also will eliminate at least 2,000 jobs.

• **United** will remove 10-15 older mainline jets to partially offset fuel costs that could swell \$1.2 billion more than planned this year.

United has led in raising fares to offset rising fuel prices. But CFO Jake Brace warned that the industry likely won't be able to raise fares enough to fully cover higher costs.

• **JetBlue** will sell four more Airbus A320s, on top of the six it previously announced that it would sell. In total, 10 A320s will leave the fleet by early 2009.

• **US Airways** will fly three fewer planes during the second half of the year than previously expected and could cut back further, President Scott Kirby said. But he added that despite tough fuel prices "remarkably, the (travel) demand environment remains pretty strong."

While American and Southwest executives hinted at possible capacity cuts, Continental (CAL) CFO Jeff Misner noted that his carrier can generate big fuel cost savings by retiring up to 63 older, less efficient 737s, 757s and 767s by the end of 2009. Replacements are on order with Boeing.

Advertisement



**Find this article at:**

[http://www.usatoday.com/travel/flights/2008-03-18-delta-severance\\_N.htm](http://www.usatoday.com/travel/flights/2008-03-18-delta-severance_N.htm)

☐ Check the box to include the list of links referenced in the article.

Copyright 2008 USA TODAY, a division of Gannett Co. Inc.

# EXHIBIT 8

June 18, 2008

## Northwest Plans More Fleet Cutbacks

By MICHELINE MAYNARD

Northwest Airlines said Tuesday that it planned to eliminate more planes from its fleet, including Boeing, Airbus and McDonnell Douglas jets, by the end of December, its second cut in capacity this year.

The airline attributed the reductions, the latest by a major airline, to the record price of jet fuel, which has nearly doubled in the last year.

Northwest will ground 14 Boeing 757 and Airbus jets during the final three months of 2008. It also said that only 61 of its aging DC-9 jets would remain in its fleet by the end of December. It had 94 DC-9s at the beginning of 2008, and 103 a year ago.

~~Overall, Northwest is reducing its domestic and international flying by up to 9.5 percent~~ Overall, Northwest is reducing its domestic and international flying by up to 9.5 percent, the airline said in the regulatory filing. In its previous round of cuts, announced in April, Northwest said it would reduce flying capacity by about 7 percent this year.

Northwest's chief executive, Douglas M. Steenland, said the airline did not plan to eliminate any cities from its schedule.

"We expect to accomplish this with fewer frequencies," Mr. Steenland said in an interview, referring to the number of flights the airline operates to a particular city each day.

Some jobs will be cut as a result of the flight reductions, but the airline did not say how many. Northwest said it hoped the reductions would come through buyouts and voluntary retirement programs.

Northwest had already announced plans to reduce its DC-9 jets, but it had not specified whether it would retire them or simply idle them in hopes that traffic would strengthen. But Mr. Steenland said Tuesday that the airline had decided to ground them.

Airlines have been hurt by the rise in the price of jet fuel, which is up 83.6 percent in 12 months, according to the International Air Transport Association. Several carriers, including American, Continental, Delta and United have announced plans to retire planes and eliminate flights.

They are also raising fares, imposing fuel surcharges and adding fees, like a \$15 charge for checking bags that has been or will be put in place by American, United and US Airways.

The rise in jet fuel "is significantly increasing the cost structure" for the airlines, Mr. Steenland said. "It puts us and others in a position where we need to pass through those costs to our customers."

He acknowledged that the fare increases, charges and fees would deter some passengers from flying. "As costs get passed through and fares go up, there will be a reduction in travel," Mr. Steenland said. "The number of seats is going to be reduced."

In April, Northwest and Delta agreed to merge in a deal that would create the nation's biggest airline, ahead of American. The two airlines hoped to receive federal approval by the end of the year.

Both airlines filed for Chapter 11 protection in 2005, when fuel prices spiked in the wake of Hurricane Katrina.

Mr. Steenland said his airline did not anticipate making more capacity cuts in 2008. But he said, "If things change we'll have to respond. At these fuel prices, you watch every drop."

Northwest shares rose 18 cents, to \$6.78 in regular trading before the latest cuts were announced.

#### Service Cuts at Air Canada

Air Canada, citing higher fuel prices, said it would eliminate about 2,000 of its 28,000 jobs.

Via e-mail, John Reber, a spokesman for the airline, said the company was meeting with its unions in a bid to "minimize involuntary layoffs, while allowing the company to meet the required cost reduction targets."

To enable lower staff levels, the airline is planning to reduce its overall seat capacity over the autumn and winter seasons.

The biggest reductions will be a 13 percent cut in flights between Canada and the United States. By contrast, domestic capacity will drop by only 2 percent, an indication of Canada's still-robust economy.

Copyright 2008 The New York Times Company

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)



# EXHIBIT 9

**SFGate**.com

## Airlines find many tiny ways to squeeze fliers

Carolyn Said, Chronicle Staff Writer  
Wednesday, July 2, 2008

Friendly skies, my eye.

With the cost of jet fuel in the stratosphere, airlines already have increased ticket prices to budget-busting levels. Their latest strategy to boost revenue is what they call "a la carte pricing" - French for "nickel and diming you to death."

All the extra fees are one reason "airlines rate below the IRS and gas stations for customer satisfaction," said Rick Seaney, chief executive officer of FareCompare.com. "They're the equivalent of the (airlines) piling on the quarterback (the consumer). Once you have him down, you just pile on."

Seaney, whose site seeks to help consumers compare ticket prices, keeps an updated list of the fees each airline charges at [links.sfgate.com/ZDZJ](http://links.sfgate.com/ZDZJ).

Fresh indignities roll in on a weekly basis: You pay to check your bag, eat a soggy sandwich, get more legroom, pick your seat, fly your pet, talk to a real person.

So, as you get ready to jet off somewhere for this long Fourth of July weekend, beware of these ways the airlines are reaching into your wallet.

### Bags

In the good old days (mere months ago), you could check two suitcases for free. Now, almost every airline charges \$25 for a second bag. At American Airlines, US Airways and some others (including United Airlines starting Aug. 18), the first checked bag is \$15. You pay those fees each way. Oversize or overweight bags cost up to \$150 each way. Curbside check-in remains a relative bargain at \$2 per bag at ~~Northwest Airlines~~, United and US Air; it's free at American, Continental Airlines and Southwest Airlines.

### Live help

Internet-challenged? Expect to pay \$15 to \$35 for the privilege of booking your ticket through a real person. Who knew that one day you'd feel nostalgic about punching your way through a phone tree, waiting on hold endlessly and talking to someone in a call center?

### Entertainment

Here there's a spot of good news. There's a new fee coming - but it's for a cool new service.

American and other carriers soon will offer in-flight Wi-Fi. Expect to pay \$10 to \$13 per flight for broadband Internet connections in the sky. As for movies, headsets now are often \$5, but most folks just plug in the earphones from their iPods.

### **Food and beverages**

You don't really miss the lukewarm lasagna TV dinner with a hockey-puck roll. You've already adjusted to the \$7 sandwich and the \$3 potato chips. Now get ready for the \$2 can of Coke. US Air is the first to charge for nonalcoholic drinks, but it's unlikely to be the last.

### **Seat selection**

Want extra legroom? Prefer an aisle seat? On some airlines that will cost you. When you buy a ticket on United.com, for instance, a gargantuan button invites you to pay extra for more legroom; you have to hunt for the teeny-tiny button to decline the offer.

### **Frequent-flier miles**

Even "free" tickets can cost you big bucks. Delta Air Lines just added a \$25 to \$50 fuel surcharge for people redeeming miles. United charges for frequent-flier tickets booked with less than two weeks notice. "I have no idea what the airlines are thinking - why poke their best customers in the ribs?" Seaney said.

### **Pets**

Want to bring Fluffy or Fido on vacation? That will cost you around \$100 each way. At Northwest, it ranges from \$80 to \$359.

### **Unaccompanied minors**

Children flying alone cost \$100 at American, Delta, United and US Air; they're slightly cheaper on other carriers. Only Southwest has no extra fee for kids flying solo.

### **Changing your mind**

If you buy the less-expensive nonrefundable ticket, and something happens - say you get a flat tire en route to the airport, or you get sick - you get socked twice: First, you pay the difference between your original fare and a last-minute ticket on a different flight, then on most carriers you pay \$150 for making a change.

### **Fuel surcharges**

On transatlantic travel, the extra costs can really add up, with \$330 to \$390 in fuel surcharges and

\$120 to \$130 in fees. "Before you even start to pay for airfare, you're looking at \$500," Seaneey said. "That was the out-the-door cost of a winter ticket to Europe two years ago."

### ***Obesity***

If you're so heavy that you cannot lower the armrest next to your seat, Southwest will charge you for two tickets.

*E-mail Carolyn Said at csaid@sfgate.com.*

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/07/02/BUAG11GE38.DTL>

This article appeared on page **C - 1** of the San Francisco Chronicle

# EXHIBIT 10

Pacific Business News (Honolulu) - May 5, 2008

<http://pacific.bizjournals.com/pacific/stories/2008/05/05/daily3.html>

## **PACIFIC BUSINESS NEWS**

Monday, May 5, 2008

### **Delta adds \$110 fuel charge for LAX-HNL**

Pacific Business News (Honolulu)

**Delta Airlines** on Monday added a \$110 roundtrip fuel surcharge to its Los Angeles-Honolulu flights.

The notice was posted Friday on the Web site of California-based travel company **Pleasant Holidays**.

As of Monday, online fares for travel in mid-July between L.A. and Honolulu ranged from \$726 on **Northwest Airlines** to \$1,441 on **Delta Air Lines**.

Airline capacity from the West Coast to Hawaii was reduced by 94,000 seats a month with the shutdown of **Aloha Airlines** on March 31 and ATA Airlines on April 2.

With the exception of a new **Hawaiian Airlines** (Amex: HA) route between Honolulu and Oakland, launched May 1, airlines have not added any flights between the Mainland and Hawaii.

*All contents of this site © American City Business Journals Inc. All rights reserved.*

# EXHIBIT 11



Welcome Guest  
Login | Register  
Set your home page

Fort Worth, TX  
Sunny 96°F  
Hi/Low: 97°/75°  
Subscribe today

**Star-Telegram.com**

Web Search powered by YAHOO! SEARCH

Star-Telegram.com Archives Web Search

Go

MOBILE NEWS ALERTS EDITION NEWSLETTERS CLICK DFW VARSITY WEDDINGS SHOP LOCAL YELLOW PAGES ADVERTISE CONTACT US NEWSPAPER SERVICES SITE MAP  
HOME NEWS OBITUARIES SPORTS BUSINESS ENTERTAINMENT YOUR LIFE OPINIONS BLOGS CHATS MULTIMEDIA CARS REAL ESTATE CLASSIFIEDS JOBS SERVICES

BUSINESS Wednesday, Jul 9, 2008

**Business**

Posted on Fri, Jul. 04, 2008

email print reprint or license  
AIM del.icio.us Digg it

## Northwest matches fare hike; US Airways last up

BY SCOTT NISHIMURA  
snishimura@star-telegram.com

Northwest Airlines joined American, Continental and Delta in matching the round-trip \$20 fuel surcharge that rival United Airlines announced Wednesday, farecompare.com reported.

Northwest's move leaves US Airways as the only major nondiscounters still on the sidelines in the industry's 21st fare increase attempt of the year, Rick Seaney of farecompare.com said in an e-mail message.

Seaney said he expected US Airways to match the fare hike Saturday or Sunday.

In increasing fares, Seaney said, the major carriers largely avoided routes where they compete against Southwest Airlines and other discounters.

Seaney said cuts in seating capacity at the major carriers this fall might allow the airlines to keep raising prices.

"I keep expecting the pace of increases to slow down, as we have been averaging an airfare hike attempt every 10 days this year," he said. "It seems, however, that the pending flight cuts have left more headroom for hikes."

Outside the broad fare increases, airlines have recently made several changes in pricing for fall travel as they react to competitors' moves, Seaney said.

"Consumers should be cautious about buying tickets right now for travel starting after early November, as many airlines do not seem to be set on their price points yet for this time period as they make final decisions on flight cutbacks," he said.

"Air travelers should lock any tickets under \$350 round-trip for long trips and \$225 round-trip for shorter trips. Price points are likely to be much higher in the coming weeks and months as more airfare hikes pile up."

Scott Nishimura, 817-390-7808

### Most-read stories

- Officers may have eaten LSD-laced goodies, Fort Worth police say
- Grand Prairie police arrest 3 for anhydrous ammonia
- Are the Cowboys great? Jerry's happy to answer
- 2 deaths investigated in Sansom Park
- Two children die in Coppell drowning incident

### Most e-mailed stories

- Woman robbed, kidnapped at Arlington Wal-Mart
- Police may have eaten cookies laced with drugs
- Officers may have eaten LSD-laced goodies, Fort Worth police say
- Who needs expensive wine? We pick six sips for less than \$6
- Officers may have eaten LSD-laced goodies, Fort Worth police say

**TEXAS MOTORS FORD**  
With **FREE Tires for Life**, the savings keep Rolling in!!!  
Click here to visit our Virtual Showroom!  
Click here now for details



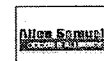
Cracking the Code of Sexual Chemistry and Attraction



The Next Generation of Sharing and Storage



Don't Let a DUI Cost You Your Future



Check out our Specials! Click HERE to View Our New, Pre-Owned & Internet Specials!



Williams Home Maintenance Click here to save up to \$1200 on your next A/C unit!



An Extravagantly Texan experience awaits you! Beaumont Ranch specializes in corporate and private entertainment.



Elixir Salon & Day Maker Beauty truly does start on the inside. Click here to visit our website!



Check Out Our Specials! Click here for Cruise and other Vacation Specials!

**Free Online Practice Account**  
Practice Forex Trading in a Live Trading Environment. Risk-Free.  
www.GFTforex.com

**Countrywide@ Home Loans**  
No Closing Cost Refi Options. No Points or Processing Fees.  
Countrywide.com

**Start Your Business Coaching**  
Immediate downloadable and printable version of The CoachStart  
10supercoaches.com

Ads by Yahoo!

### Featured Advertisers

<b>High School Sports</b>	<b>DFW Online Yellow Pages</b>	<b>Local Shopping</b>
Find a Car	Apartments	Local Jobs
Australian Travel (ETA) Visa	Dallas Cowboys Tickets	Compare Mortgage Quotes

**Star-Telegram.com**

About the Real Cities Network | About the McClatchy Company | Terms of Use & Privacy Statement | Copyright

AFFILIATE SITES  
Diario La Estrella